



STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES & CARRIERS

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Memo To: Luly Massaro, Commission Clerk
Rhode Island Public Utilities Commission

From: Alberico Mancini, Chief Regulatory Analyst

Date: May 5, 2021

Subject: Docket No. 5133, Kent County Water Authority Tariff Advice and Petition for Relief

The purpose of this memo is to provide the Public Utilities Commission (“PUC” or “Commission”) with the comments of the Division of Public Utilities and Carriers (“Division”) concerning Kent County Water Authority’s (“KCWA”) Tariff Advice and Petition for Relief Filing.

On March 3, 2021, KCWA submitted its petition requesting approval to move forward with converting all customers to monthly billing. In Docket No. 5012, the Commission approved monthly billing for all large meter customers (KCWA has transitioned approximately 300 such accounts as of May 3, 2021).

As detailed in Mr. Simmons’ testimony, KCWA proposed to transition all small meter (2 inches and smaller) customers, public fire service, and private fire service to monthly billing over a three-month period beginning August 1, 2021. KCWA currently bills small meter customers on a quarterly basis in 3 separate cycles (approximately one third of customers each month). The filing further proposed accomplishing this phased change through three separate tariff changes to account for each cycle, or one third of the customers, that would transition each month. The third and final tariff change would occur on October 1, 2021. Once transitioned off of quarterly billing, the service charge for a typical customer would change from \$15.10 a quarter to a monthly service charge of \$4.95.

After review of KCWA’s filing, the Division had concerns regarding the confusion in the proposed three tariff changes over three months. As explained in Mr. Simmons’ testimony, higher than expected water consumption last summer combined with an unclear bill format led to numerous

billing disputes last fall. In March, KCWA transitioned to a new billing system that produces bills that are clear and more easily understandable. KCWA is nearing the end of its meter replacement program which will allow for the transition to monthly billing as all new meters will have radio read technology allowing KCWA to read all meters on a monthly basis. Accurate monthly billing will improve customer service and reduce customer complaints. The Division was concerned that the three tariff changes as proposed by KCWA would cause additional customer confusion in part due to customers being charged different service charges through the transition period. The Division discussed these concerns with KCWA. KCWA ultimately agreed to implement one tariff change to transition all customers to monthly billing beginning July 1, 2021 and as further detailed in the settlement agreement. This ensures that customers will see the same service charge for bills issued on and after July 1, 2021. The transition month for each of the three cycles for the small meters will not change from the original proposal, however all bills issued on and after July 1, 2021 will have the same customer charge. Public fire and private fire service will begin monthly billing on July 1, 2021 which coincides with the monthly billing of all large meter accounts.

The Division believes that the Settlement Agreement achieves the desired transition to monthly billing in a reasonable manner that is least likely to cause customer confusion and recommends its approval.